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**September 13, 2011**

**CIRCUIT COURT RULES IN FAVOR OF THE CITY ON RAIL CONTRACT PROTEST**

The state Circuit Court today upheld the City's decision to disqualify one of the bidders for the rail transit contract that was awarded to the Ansaldo Honolulu Joint Venture.

Circuit Court Judge Rhonda Nishimura denied an appeal by Bombardier Transportation USA Inc. to overturn a ruling by the state Department of Commerce and Consumer Affairs (DCCA) that had upheld the City's decision and reaffirmed that the procurement of the Core Systems Contract was done correctly.

The Core Systems contract includes the rail cars, operating systems, and operation and maintenance of the trains after installation. The City awarded Ansaldo Honolulu the contract in March.

"Today's court ruling reinforces the fact that our procurement process was conducted properly and in accordance with state law," said Honolulu Authority for Rapid Transportation (HART) Interim Executive Director Toru Hamayasu. "During every step of the legal appeals process, the City's procurement practices have been successfully upheld."

In today's court ruling, Judge Nishimura affirmed the DCCA's findings that the City did conduct meaningful discussions with Bombardier and that the City properly rejected Bombardier for submitting a conditioned proposal.

In July, the Office of Administrative Hearings of DCCA denied an appeal by Bombardier on its disqualification from the procurement. DCCA Senior Hearings Officer David H. Karlen affirmed that the City correctly disqualified Bombardier's proposal for conditioning its proposal on the deletion of a contract provision required by the terms of the City's Request for Proposals. The DCCA appeal followed the rejection of Bombardier's protest by the City's Chief Procurement Officer.

DCCA last month also denied an appeal by another losing bidder for the contract, Sumitomo Corporation of America. Sumitomo did not appeal that decision to the Circuit Court.

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